

ENVIRONMENTAL SERVICES DEPARTMENT

Impact Analysis Report

OVERVIEW

The Environmental Services Department (ESD) administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939 Fees, which are described further in Exhibit A), and Franchise Application Fees. Projected fee revenues from these programs total \$3.6 million in 2009-2010. This represents a decrease of \$574,000 from the 2008-2009 adopted budget level.

Commercial Solid Waste AB939 Fees will remain at \$0.89 per cubic yard for loose commercial solid waste, and \$2.67 per cubic yard of compacted commercial solid waste. Commercial Solid Waste Franchise Fees (adopted on June 20, 2006 through a separate resolution) will remain unchanged at \$3.67 per cubic yard for loose commercial solid waste, and \$11.01 per cubic yard for compacted commercial solid waste. The total Commercial Solid Waste fee load (AB939 and Franchise Fees), will remain at \$4.56 per cubic yard for loose waste, and \$13.68 per cubic yard for compacted waste. The Commercial Solid Waste Franchise Fee is not charged for waste collected from public school districts providing education for grades K-12, and adult education institutions that are supported by public funds and have entered into Waste Reduction Agreements with the City.

In addition to these Integrated Waste Management Program fees, two new fees were approved this year for the Silicon Valley Energy Watch Tool Lending Library Program. These fees recover the cost of damaged or lost power-meters rented out to the public through the library.

SUMMARY AND IMPACT OF ADOPTED FEE REVISIONS

Existing Fees

The County, as part of its budget process, has increased the AB939 Implementation Fee charged at landfills and transfer/processing stations (Landfill AB939 Fee) from \$3.55 to \$4.10 per ton of disposed waste, due to an increase in the household hazardous waste portion of the fee from \$2.05 to \$2.60. The portion of this fee received by the City, and deposited in the Integrated Waste Management Fund (\$1.50), remains the same; however, additional hazardous waste services will be available to San José residents. Pursuant to agreements between the City of San José and Santa Clara County, \$1.50 per ton of this fee is distributed to the City for activities related to recycling, and \$2.60 is used by the County and participating cities for Household Hazardous Waste programs. If the County does not implement the fee at this level, the City could choose to collect the fee.

New Fees

For 2009-2010, two new fees were approved to recover the cost of lost or damaged power meters rented to the public through the library, as part of the Silicon Valley Energy Watch Tool Lending Library Program. The fee for damaged material and the fee for lost material are set at \$25.00, in order to recover 100% of costs. In addition, when a power meter is lost or damaged, a handling fee of \$20.00 will be charged by the Library Department to the

ENVIRONMENTAL SERVICES DEPARTMENT (CONT'D.)

SUMMARY AND IMPACT OF ADOPTED FEE REVISIONS (CONT'D.)

New Fees (Cont'd.)

borrower. This fee can be found in the Library Department's section of this report.

NOTIFICATION

The Proposed Fees and Charges Report was released on May 1, 2009, allowing for a minimum of 10 days for public review. Public input on fee proposals was heard by the City Council at public hearings held on Tuesday, May 12, 2009 and Monday, June 15, 2009 at 7:00 p.m. in the Council Chambers.

DEPARTMENTAL FEES AND CHARGES

ENVIRONMENTAL SERVICES

Service	2008-2009 Adopted Fee	2008-2009 % Cost Recovery	2009-2010 Adopted Fee	2009-2010 Estimated Cost	2009-2010 Estimated Revenue		2009-2010 % Cost Recovery	
					Current Fee	Adopted Fee	Current Fee	Adopted Fee
ENVIRONMENTAL SERVICES FEES - CATEGORY I								
1. Franchise Application Fees								
1 Commercial Solid Waste Application Fee	\$195 per application		No Change					
Sub-total Franchise Application Fees		100.0%		390	390	390	100.0%	100.0%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I		100.0%		390	390	390	100.0%	100.0%
ENVIRONMENTAL SERVICES FEES - CATEGORY I (GENERAL FUND)								
1. Miscellaneous Fees								
1 Damaged Power Meter Fee Note: In addition to the fee listed here, the Library will charge a handling fee for damaged material. This fee is described in the Library Department section of this report.			\$25.00	25		25		100.0%
2 Lost Power Meter Fee Note: In addition to the fee listed here, the Library will charge a handling fee for lost material. This fee is described in the Library Department Section of this report.			\$25.00	25		25		100.0%
Sub-total Miscellaneous Fees				50		50		100.0%
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY I (GENERAL FUND)				50		50		100.0%

DEPARTMENTAL FEES AND CHARGES

ENVIRONMENTAL SERVICES

Service	2008-2009 Adopted Fee	2008-2009 % Cost Recovery	2009-2010 Adopted Fee	2009-2010 Estimated Cost	2009-2010 Estimated Revenue		2009-2010 % Cost Recovery		
					Current Fee	Adopted Fee	Current Fee	Adopted Fee	
ENVIRONMENTAL SERVICES FEES - CATEGORY II									
1. Source Reduction and Recycling									
1 Commercial Solid Waste	\$0.89/uncompacted cubic yard collected; \$2.67/compacted cubic yard collected (paid by generators); and \$14.83 per ton collected from City facilities in rolloff boxes; effective August 1, 2006	70.5%	No Change	3,153,162	2,630,753	2,630,753	83.4%	83.4%	
2 Landfill - Waste Disposal Note: San José receives only a portion of these fees collected by the County based on surplus available from the County after administration of the Household Hazardous Waste program.	\$3.55 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.05 per ton - fee collected by the County for Household Hazardous Waste Programs)		\$4.10 per ton (\$1.50 per ton San José portion - fee collected by County; \$2.60 per ton - fee collected by the County for Household Hazardous Waste Programs)	2,886,200	1,000,000	1,000,000	34.6%	34.6%	
Sub-total Source Reduction and Recycling		92.5%		6,039,362	3,630,753	3,630,753	60.1%	60.1%	
SUB-TOTAL ENVIRONMENTAL SERVICES FEES - CATEGORY II		92.5%		6,039,362	3,630,753	3,630,753	60.1%	60.1%	
TOTAL DEPARTMENT - GENERAL FUND				50		50		100.0%	
TOTAL DEPARTMENT - NON-GENERAL FUND				6,039,752	3,631,143	3,631,143	60.1%	60.1%	
TOTAL DEPARTMENT - Category I				440	390	440	88.6%	100.0%	
TOTAL DEPARTMENT - Category II				6,039,362	3,630,753	3,630,753	60.1%	60.1%	
TOTAL DEPARTMENT				6,039,802	3,631,143	3,631,193	60.1%	60.1%	

***SOURCE REDUCTION AND RECYCLING ELEMENT PROGRAMS
FUNDED FROM AB939 FEES***

General Solid Waste Management

Provides oversight, analysis, and coordination of all Source Reduction and Recycling Element programs and activities.

Source Reduction

Provides public information and education, sampling of public opinion to determine attitudes about source reduction issues, and evaluation of different types of educational approaches, including back yard composting programs. Works with Non-Profit Recyclers and other local organizations to promote source reduction and reuse.

Commercial Recycling

Provides outreach, technical assistance, and educational assistance to the commercial sectors of the City. Also manages non-exclusive hauling franchises and the Construction and Demolition Recycling Program. Develops and implements programs to reach the City's waste reduction and diversion goals.

Evaluation Component

Provides evaluation of the effectiveness of and participation rates for the department's recycling programs, and makes recommendations for improving programs.

Zero Waste Planning

Develops a Zero Waste Plan for the City, including analysis of long-term processing requirements, disposal capacity, and recovery of energy from non-recyclable wastes.

Market Development

Provides policy and technical analysis, program promotion, contingency planning, legislative advocacy, expansion of local recycling manufacturing activities, and expansion of City procurement of recycled products.

Civic Recycling

Provides storage containers, training, and recycling services for public areas, parks, and other City facilities. Administers City/County Funding from the State Department of Conservation for beverage container recycling. Coordinates with other City departments and outside agencies regarding litter control.